REMARKS

I. Introduction

In response to the Office Action dated April 23, 2003, please consider the following remarks. Claims 1-17 remain in the application. Re-examination and re-consideration of the application, as amended, is requested.

II. Office Action Objections

In paragraph 1, the Office Action objects to FIG. 1 and asks that all pertinent components, steps and parts shown therein be labeled.

Included herewith are Proposed Drawing Changes.

III. Office Action Double Patenting Rejection

In paragraph (2), the Office Action provisionally rejects claim 1 under the judicially-created doctrine of double patenting as being unpatentable over claim 1 co-pending application serial number 09/366,224.

The Applicant respectfully traverses all of these rejections, but will file a terminal disclaimer if necessary to moot this rejection when allowable subject matter is identified.

IV. The Cited References and the Subject Invention

A. The Burns Reference

Disclosure WO 94/16781 (Burns) discloses a coinless slot machine system and method. A gaming apparatus which comprises a slot machine capable of accepting either paper currency, preprinted coupons, or cash out slips is disclosed. The slot machine also includes a printer that prints and dispenses cash out slips, which include a bar code representing a unique identification that provides the amount of "winnings". The cash out slips can be scanned into a separate currency dispenser at a Cashier's Station for receiving currency, either from the dispenser or from an attendant. A central processing unit (CPU) generates the unique codes for regulating the game to be played, the wager limits of the game and the validity of the free play coupons or the cash out tickets. The above gaming system avoids having to use coins or tokens in the operation of slot machines.

B. The Black Reference

U.S. Patent No. 4,835,624, issued May 30, 1989 to Black et al. discloses a high-speed magnetic encoding apparatus and method. Apparatus for high speed bulk magnetic encoding of lottery tickets passes a web of tickets by an encoding apparatus which supports plural skates each having wheels or rollers which ride along the surface of the web to provide a controlled gap between the web and a magnetic write head. Also included on the skate are a magnetic read head and an inkjet print head. After encoding and printing, the perforations in the web are bursted, and the web is sliced into individual magnetically encoded lottery tickets.

C. The Walker Reference

Disclosure WO 95/24689 (Walker) discloses a remote gaming system whereby a player can gamble against a wagering establishment or lottery from a remote location on a personal computer or portable computer device where it is unnecessary to establish an on-line connection with a host computer associated with the wagering establishment, the gaming computer providing at least one wagering opportunity and enabling the player to obtain gambling credit and cash-out any resulting winnings, the host computer enabling the player to purchase and redeem gambling credit at the remote location thorough a series of encrypted code exchanges between the player and the wagering establishment, or alternatively the gaming computer or a credit module for use with a personal computer being provided to the player with pre-installed credit.

D. The Subject Invention

A method, apparatus, and article of manufacture for transferring credits from one gaming device to another via the use of coded scrip is disclosed. The method comprises the steps of accepting a cash-out command in the gaming device, scanning a magnetically manifested code uniquely identifying a scrip stored in the gaming device, transmitting a cash-out message comprising the code to a remote processor having access to a database configured to store and retrieve codes from a plurality of gaming devices, receiving a scrip dispense message from the remote processor, and dispensing the scrip. The apparatus comprises a scrip storage unit, a scrip dispensing unit having a scrip transducer for reading and recording a magnetically manifested code on a scrip retrieved from the scrip storage unit, and a processor, communicatively coupled to the scrip

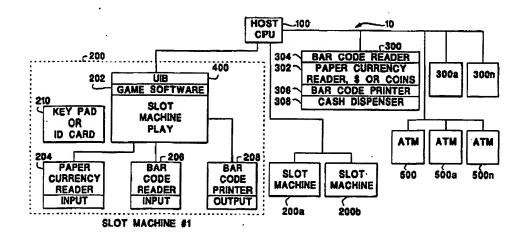
transducer and a remote computer having access to a database for storing and retrieving code information from the plurality of gaming devices.

V. Office Action Prior Art Rejections

In paragraphs (3)-(4), the Office Action rejected claims 1-3 and 6-17 under 35 U.S.C. § 103(a) as unpatentable over Burns, WO 94/16781 (Burns) in view of Black et al., U.S. Patent No. 4,835,624 (Black). The Applicant respectfully traverses this rejection.

The Burns reference teaches a system in which in response to a cash out command, the host CPU (100) generates a bar code that is later printed by the slot machine:

The printer 208 prints a bar code 222 on the cash out slip responsive to the instructions from the CPU 100. The CPU 100 generates the bar code to be printed. The bar code 222 represents the monetary value of the value of the credit stored in the particular slot machine 200 on the cash out slips 220, along with a randomly generated number in order to permit the CPU 100 to verify the validity and unique identification of the cash out slip at a later time. (page 10, lines 29-37)



Claim 1 recites the steps of:

1. A method of providing at least one scrip from a gaming device, comprising the steps of: accepting a cash-out command in the gaming device; scanning a magnetically manifested code uniquely identifying a scrip stored in the gaming device; transmitting a cash-out message comprising the code to a remote processor having access to a database

for storing and retrieving codes from a plurality of gaming devices;

receiving a scrip dispense message from the remote processor; and

dispensing the scrip.

The Burns reference teaches that upon receipt of a cash out command, the CPU generates a bar code representing the credit stored in the gaming device, and a random number. That bar code is printed by the gaming device. Nothing suggests that the gaming device scan a magnetically manifested (or any) code uniquely identifying the scrip in response to a cash out command, and nothing suggests that the gaming device sends the code to a remote processor.

Consider first the case where a user enters enough coins or cash to play the gaming device. When completed, the user cashes out. Burns teaches that the CPU generates a bar code representing the credits stored in the gaming device, and a random number. This information is presumably transmitted to the gaming device, where the bar code is printed and provided to the user. Certainly, this does not disclose the step of scanning magnetically manifested code uniquely identifying scrip stored in the gaming device, or transmitting a cash out message comprising the code to a remote processor.

Now consider next what happens when the user takes that issued bar code and approaches another gaming machine. Presumably, the gaming machine reads the bar code, transmits it to the CPU, and if the random numbers match, the user is issued credits. In this case, a bar code uniquely identifying the scrip is scanned and transmitted to the CPU, but this scanning operation is not performed in response to a cash out command, nor is the code transmitted to the CPU in a "cash out" message as claim 1 requires.

Finally consider what happens when the user again cashes out. At this point, the gaming machine scans the code and provides the code to the CPU. However, the gaming machine does not dispense the scrip, but instead prints out another scrip and issues the new scrip.

The Black reference teaches a magnetic recording and reading head, but has little else to do with the Applicant's invention.

The Office Action indicates that it would have been obvious to one of ordinary skill in the art at the time was made to combine the teachings of the Burns and Black references. However, even when combined, the Burns and Black references do not teach the present invention. Further, the Applicant respectfully disagrees that there is any teaching to combine these references. The proffered rationale: "to provide Burns with a more secure system wherein the magnetic code can

only be recognized/read by a machine/magnetic reader (i.e. a transducer or magnetic read/write head, etc.)" is insufficient because such security is already assured by virtue of the fact that Burns teaches use of a random code "to permit the CPU 100 to verify the validity and unique identification of the cash out slip 220 at a later time." (See page 10, lines 34-37).

With respect to claim 6, the Office Action indicates that it would be obvious to make the magnetically manifested code pre-coded, because it would provide a "more feasible system wherein the printer is not required in the gaming device, and thus providing a more compact system due to the space saving of the unused printer."

However, Burns itself teaches away from this modification. Burns teaches that unlike prior art systems, it does not require some identification or other means of assuring the validity of the cards (or user) ... essentially because the printed tickets are self-authenticating:

While the above systems avoid the use of money, they are susceptible to certain abuses which have made them generally unacceptable to the casino industry. Predetermined credit or debit cards are inconvenient and require the casino to establish credit limits for the user, and are susceptible to counterfeiting or use by an unauthorized person. Some identification or other means of assuring the validity of the cards or user is necessary. (page 3, lines 1-12, emphasis added).

and

"The above-described system overcomes the disadvantages of the prior cashless systems. The concern over counterfeiting of individual cash out slips is eliminated because the CPU will be able to keep track of the unique random number for each cash out slip or coupon. When a cash out slip or coupon is entered into the bar code reader, the CPU will determine the validity of the code, and if invalid for any reason, such as it already having been used or cashed, the CPU would not give any credit for the cash out slip or coupon... (page 6 line 31 - page 7 line 10).

Burns teaches that the printing of the cash out slips is required to prevent counterfeiting and other abuses. Given this teaching, it seems hardly likely that a skilled artisan would have foregone this feature just to achieve a more compact system that does not require a printer or can operate with greater speed.

"A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the Applicant. The degree of teaching away will of course depend on the particular facts; in general, a reference's disclosure will teach away if it suggests that the line of development flowing from the reference's disclosure is unlikely to be

productive of the result sought by the Applicant. In re Gurley, 27 F.3d 551, 553, 31 U.S.P.Q.2d 1130 (Fed. Cir. 1994).

As described above, Burns teaches self authenticating printed scrip, and therefore teaches away from the modification the Examiner relies upon in rejecting claim 1.

Reduced to its essence, the Examiner's latest rejection uses hindsight construction to reject the Applicant's claims. The fact is that the Examiner's modifications Burns are of doubtful benefit, would not take advantage of existing systems already present in the Burns system, and are plainly contrary to the teaching Burns.

In paragraph (5), the Office Action rejected claims 4 and 5 under 35 U.S.C. §103(a) as being unpatentable over Burns as modified by Black as applied to claim 1, and further in view of Walker, WO 95/24689 (Walker). Applicant respectfully traverses these rejections. Claims 4 and 5 include the limitations of claim 1 and are patentable on the same basis. Also, there is no teaching to modify the Burns reference as described in the Walker reference, because unlike the Walker system, the Burns system uses a randomly generated number.

VI. <u>Dependent Claims</u>

Dependent claims 2-13 and 15-17 incorporate the limitations of their related independent claims, and are therefore patentable on this basis. In addition, these claims recite novel elements even more remote from the cited references. Accordingly, the Applicant respectfully requests that these claims be allowed as well.

VII. Conclusion

In view of the above, it is submitted that this application is now in good order for allowance and such allowance is respectfully solicited. Should the Examiner believe minor matters still remain that can be resolved in a telephone interview, the Examiner is urged to call Applicant's undersigned attorney.

Respectfully submitted,

GATES & COOPER LLP Attorneys for Applicant(s)

Howard Hughes Center 6701 Center Drive West, Suite 1050 Los Angeles, California 90045 (310) 641-8797

Date: September 23, 2003

By: Victor G. Cooper

Reg. No.: 39,641

VGC/io